

ORIGINAL



0000109536

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2010 MAR 30 P 2:48

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION
OF SOLAR POWER PARTNERS, INC.
REGARDING ITS REQUEST FOR SPECIAL
CONTRACT RATE APPROVAL FOR A
PHOTOVOLTAIC QUALIFIED
MANAGEMENT AGREEMENT.

DOCKET NO. E-20730A-10-0088

**NOTICE OF ERRATA TO
APPLICATION**

On March 11, 2010, Solar Power Partners, Inc. ("SPP" or the "Applicant") filed for Arizona Corporation Commission approval, a Photovoltaic Qualified Management Agreement ("Agreement") that was originally entered into between the Arizona Board of Regents for and on behalf of Arizona State University and APS Energy Services Company, Inc., which in turn have been respectively assigned to a wholly-owned subsidiary of SPP under a Conditional Assignment Agreement (both the Photovoltaic Qualified Management Agreement and Conditional Assignment Agreement are collectively referred to herein as the "QMA") ("Application"). The attached Amendment No. 1 to the QMA was inadvertently omitted from the Application.

...

...

...

...

...

Arizona Corporation Commission
DOCKETED

MAR 30 2010

DOCKETED BY


MVA

Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1 RESPECTUFULLY SUBMITTED this 30th day of March, 2010.

2
3 SNELL & WILMER L.L.P.

4
5 By 
6 Robert J. Metli
7 Bradley S. Carroll
8 One Arizona Center
9 400 East Van Buren
10 Phoenix, Arizona 85004-2202
11 Attorneys for Solar Power Partners, Inc.

12 ORIGINAL and 13 copies of the foregoing
13 filed this 30th day of March, 2010, with:

14 Docket Control
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 COPIES of the foregoing hand-delivered
19 this 30th day of March, 2010, to:

20 Steve Olea, Director
21 Utilities Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Janice Alward, Chief Counsel
26 Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Snell & Wilmer

LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Lyn Farmer, Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Crina Ball

AMENDMENT NO. 1 TO PHOTOVOLTAIC QUALIFIED MANAGEMENT AGREEMENT

THIS AMENDMENT NO. 1 is entered into as of this 1st day of December, 2009, by and between APS Energy Services Company, Inc., an Arizona corporation (the "Company") and the Arizona Board of Regents, an instrumentality of the State of Arizona and a statutory body corporate, for and on behalf of Arizona State University (the "University") (collectively, the "Parties" or individually as "Party").

1. RECITALS.

- 1.1 Company and the University are parties to a Photovoltaic Qualified Master Agreement, dated September 9, 2009 (the "QMA"), providing for, among other things, the provision of energy services from solar photovoltaic systems to be installed and operated by the Company on the University's premises described therein, including the University's Tempe Campus, subject to certain conditions precedent set forth in the QMA.
- 1.2 The QMA also includes schedules which contemplate the annual output of the complete photovoltaic system contemplated therein as well as the rate to be paid to Company for energy services provided the University from said system.
- 1.3 The Parties desire to initiate construction, start up and operation of the photovoltaic systems on the University's Tempe Campus only as soon as funding for such construction becomes available to Company for such purposes, even though funding for the balance of the photovoltaic system contemplated under the QMA may not then be available.
- 1.4 The amendments provided for in this Amendment No. 1 will, among other things, identify and describe the elements of the total photovoltaic system contemplated by the QMA which will be constructed and operated on the University's Tempe Campus, their contemplated in-service date and the rate to be charged the University for energy services provided therefrom.
- 1.5 The Parties desire, therefore, to amend the QMA as provided for in this Amendment No. 1.

2. AMENDMENTS.

NOW, THEREFORE, in consideration of the mutual promises contained in this Amendment No. 1, the Parties agree as follows:

- 2.1 Section 1.3 of the QMA is hereby deleted in its entirety and the following is inserted in lieu thereof:

"1.3 Conditions Precedent. If after first making good faith efforts to meet the foregoing conditions precedent, the Company has not completed those conditions by February 15, 2010, the Company may terminate this Agreement without incurring any liability under this Agreement. Alternatively, in the event that such conditions precedent are not satisfied by such date, the Parties may mutually agree to amend this Agreement to revise the terms thereof.
- 2.2 The QMA is hereby amended by adopting the schedule, attached hereto as Schedule A, for the installation and operation of those elements of the photovoltaic system provided for in said Schedule A only.

3. EFFECTIVE DATE.

This Amendment No. 1 is effective as of December 1st, 2009.

4. EFFECT OF THIS AMENDMENT NO. 1.

In the event of any conflict between the provisions of the QMA and this Amendment No. 1, including Schedule A attached hereto, the terms of this Amendment No. 1 shall govern, unless and until otherwise agreed to by the Parties. Except to the extent amended by the terms of this Amendment No. 1, the QMA shall remain in effect in accordance with its terms and conditions.

5. EXECUTION

This Amendment No. 1 has been executed by the duly authorized representatives of the parties, effective as of the Effective Date stated in Section 3 of this Amendment No. 1.

APS ENERGY SERVICES COMPANY, INC. THE ARIZONA BOARD OF REGENTS, AN
INSTRUMENTALITY OF THE STATE OF ARIZONA
AND A STATUTORY BODY CORPORATE, FOR AND
ON BEHALF OF ARIZONA STATE UNIVERSITY

By: 

By: 

Printed Name: Robert George

Printed Name: GINA E. WEBBER

Its: Managing Director

Its: ASSOC. DIRECTOR, PURCHASING

Date Signed: 012-09-09

Date Signed: 12-01-09

"Company"

"University"

Exhibit 1.4.2
Exit Fee Schedule

| <u>year</u> | <u>exit fee</u> |
|-------------|-----------------|
| 16 | \$11,258,881 |
| 17 | \$9,246,836 |
| 18 | \$7,129,984 |
| 19 | \$4,902,071 |
| 20 | \$2,556,463 |

Schedule 3.1
Annual Fee Amounts

| Year | Estimated Annual Fee |
|-------------|-----------------------------|
| | |
| 1 | \$1,492,172 |
| 2 | \$1,484,710 |
| 3 | \$1,477,287 |
| 4 | \$1,469,900 |
| 5 | \$1,462,551 |
| 6 | \$1,455,238 |
| 7 | \$1,447,962 |
| 8 | \$1,440,722 |
| 9 | \$1,433,518 |
| 10 | \$1,426,351 |
| 11 | \$1,419,219 |
| 12 | \$1,412,123 |
| 13 | \$1,405,062 |
| 14 | \$1,398,037 |
| 15 | \$1,391,047 |
| 16 | \$1,384,092 |
| 17 | \$1,377,171 |
| 18 | \$1,370,285 |
| 19 | \$1,363,434 |
| 20 | \$1,356,617 |

Schedule 3.4
Estimated Annual Energy Production

| Year | Estimated Annual Output (kWh) |
|-------------|--------------------------------------|
| | |
| 1 | 11,219,332 |
| 2 | 11,163,235 |
| 3 | 11,107,419 |
| 4 | 11,051,882 |
| 5 | 10,996,623 |
| 6 | 10,941,640 |
| 7 | 10,886,931 |
| 8 | 10,832,497 |
| 9 | 10,778,334 |
| 10 | 10,724,443 |
| 11 | 10,670,820 |
| 12 | 10,617,466 |
| 13 | 10,564,379 |
| 14 | 10,511,557 |
| 15 | 10,458,999 |
| 16 | 10,406,704 |
| 17 | 10,354,671 |
| 18 | 10,302,897 |
| 19 | 10,251,383 |
| 20 | 10,200,126 |

Schedule A

**To Amendment No. 1 to
Photovoltaic Qualified Management Agreement**

Arizona State University – Tempe campus:

| Location | PBI (\$/kWh) |
|--------------------------------------|--------------|
| 1. Carson Student Athletics Facility | \$0.18 |
| 2. Hayden Library | \$0.18 |
| 3. Parking Structure No. 4 | \$0.18 |
| 4. Parking Structure No. 7 | \$0.18 |
| 5. Student Services Building | \$0.18 |
| 6. Weatherup Center | \$0.18 |

Arizona State University – West campus:

| | |
|----------------------------------|----------|
| 7. ASU West Ground Mount | \$0.1478 |
| 8. ASU West Parking Lots 1,2 & 3 | \$0.1478 |